



State of New Jersey
CASINO CONTROL COMMISSION
TENNESSEE AVENUE AND BOARDWALK
ATLANTIC CITY, NJ 08401

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RALPH G. FRULIO
Commissioners

(609) 441-3422

November 17, 2005

Dear Subscriber:

Enclosed is the New Jersey Casino Industry Monthly Financial Report for the third quarter ending September 30, 2005.

Effective with the 2006 first quarter financial reports, access to the quarterly reports, monthly tax returns and other financial data will be available directly from the Commission's website at <http://www.state.nj.us/casinos>. In lieu of subscribing, the financial reports will be available at no charge through the website.

The Commission is working to modify its website to address the needs of its customers and to provide increased availability to Commission documents and reports. More specific instructions will be provided over the next several months. If you have any questions feel free to contact me at 609-441-3799 or Lisa Spengler, Publications Coordinator at 609-441-7578.

Sincerely,

Daniel J. Heneghan
Public Information Officer

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Enclosures

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE QUARTER ENDED SEPTEMBER 30, 2005 AND 2004**
(\$ in Thousands)

	Net Revenue		Fav (Unfav) Var %	Gross Operating Profit		Fav (Unfav) Var %	Net Income		Fav (Unfav) Var %
	2005	2004		2005	2004		2005	2004	
AC Hilton (a)	\$ 77,259	\$ 80,186	(3.7)	\$ 17,789	\$ 19,556	(9.0)	\$ 11,521	\$ 5,014	N/A
Bally's AC	176,221	180,775	(2.5)	55,324	61,134	(9.5)	14,272	23,876	(40.2)
Borgata	213,524	186,143	14.7	76,235	65,188	16.9	55,932	35,883	55.9
Caesars	143,066	137,762	3.9	50,302	46,968	7.1	13,880	8,638	60.7
Harrah's	128,479	121,705	5.6	54,430	50,947	6.8	25,865	23,379	10.6
Resorts	69,385	70,617	(1.7)	12,486	12,865	(2.9)	(218)	1,228	N/A
Sands	44,458	44,757	(0.7)	3,093	4,870	(36.5)	(1,394)	(967)	(44.2)
Showboat	110,761	103,966	6.5	44,597	42,424	5.1	7,829	8,732	(10.3)
Tropicana	136,428	106,251	28.4	43,981	26,718	64.6	9,726	2,090	N/A
Trump Marina	68,546	70,036	(2.1)	16,937	17,510	(3.3)	6,951	(1,708)	N/A
Trump Plaza	76,818	77,016	(0.3)	13,521	14,119	(4.2)	(943)	(10,110)	90.7
Trump Taj Mahal	131,903	126,572	4.2	37,411	31,762	17.8	14,406	(7,537)	N/A
Industry	<u>\$ 1,376,848</u>	<u>\$ 1,305,786</u>	5.4	<u>\$ 426,106</u>	<u>\$ 394,061</u>	8.1	<u>\$ 157,827</u>	<u>\$ 88,518</u>	78.3

(a) Caesars Entertainment, Inc. sold AC Hilton to Colony Capital, LLC on April 26, 2005.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004**
(\$ in Thousands)

	Net Revenue		Fav (Unfav) Var %	Gross Operating Profit		Fav (Unfav) Var %	Net Income		Fav (Unfav) Var %
	2005	2004		2005	2004		2005	2004	
AC Hilton (a)	\$ 204,373	\$ 219,191	(6.8)	\$ 28,920	\$ 45,568	(36.5)	\$ 29,141	\$ 6,439	N/A
Bally's AC (b)	481,832	498,384	(3.3)	131,471	145,435	(9.6)	33,195	40,530	(18.1)
Borgata	570,044	496,973	14.7	193,127	161,277	19.7	130,279	73,706	76.8
Caesars (b)	382,561	378,966	0.9	121,007	122,251	(1.0)	25,388	21,362	18.8
Harrah's	337,260	325,219	3.7	136,119	130,456	4.3	50,723	47,410	7.0
Resorts	188,378	178,950	5.3	31,457	24,948	26.1	(2,227)	(840)	N/A
Sands	125,346	131,543	(4.7)	9,426	15,531	(39.3)	(3,576)	(6,615)	45.9
Showboat	287,644	273,610	5.1	113,355	104,189	8.8	11,591	12,099	(4.2)
Tropicana	362,502	291,966	24.2	94,926	69,911	35.8	(4,225)	(5,516)	23.4
Trump Marina	187,864	190,537	(1.4)	41,351	41,974	(1.5)	(66,977)	(13,302)	N/A
Trump Plaza	210,730	215,974	(2.4)	34,112	41,678	(18.2)	78,838	(23,892)	N/A
Trump Taj Mahal	358,967	359,702	(0.2)	87,307	90,808	(3.9)	241,455	(28,316)	N/A
Industry	<u>\$ 3,697,501</u>	<u>\$ 3,561,015</u>	3.8	<u>\$ 1,022,578</u>	<u>\$ 994,026</u>	2.9	<u>\$ 523,605</u>	<u>\$ 123,065</u>	N/A

(a) Caesars Entertainment, Inc. sold AC Hilton to Colony Capital, LLC on April 26, 2005. The "combined" statistics above reflect the following (\$ in thousands):

	Net Revenue	GOP	Net Income
Caesars Entertainment	76,861	2,556	11,078
Colony Capital	127,512	26,364	18,063

(b) Harrah's Entertainment, Inc. acquired Caesars Entertainment, Inc. on June 13, 2005, and is now the owner of Bally's AC and Caesars.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
REVENUE:													
Casino	\$ 83,892	\$ 177,713	\$ 190,106	\$ 145,051	\$ 135,237	\$ 75,774	\$ 48,349	\$ 118,409	\$ 123,564	\$ 66,867	\$ 83,528	\$ 139,709	\$ 1,388,199
Rooms	6,928	15,447	25,538	10,422	14,977	7,084	3,705	12,088	21,691	5,357	6,766	9,155	139,158
Food and Beverage	12,541	24,373	33,479	17,474	15,841	7,369	7,225	16,674	15,947	8,413	11,413	15,166	185,915
Other	2,143	6,699	12,946	5,759	4,400	2,177	923	3,921	8,017	3,804	3,514	6,484	60,787
Total Revenue	105,504	224,232	262,069	178,706	170,455	92,404	60,202	151,092	169,219	84,441	105,221	170,514	1,774,059
Less: Promotional Allowances	28,245	48,011	48,545	35,640	41,976	23,019	15,744	40,331	32,791	15,895	28,403	38,611	397,211
NET REVENUE	77,259	176,221	213,524	143,066	128,479	69,385	44,458	110,761	136,428	68,546	76,818	131,903	1,376,848
COSTS AND EXPENSES:													
Cost of Goods and Services	49,753	100,443	110,371	70,856	60,946	46,083	31,173	56,622	74,456	39,940	48,155	78,583	767,381
Selling, General, and Administrative	9,755	20,287	26,740	21,286	13,048	10,566	10,071	9,556	17,405	11,243	14,661	17,050	181,668
Provision for Doubtful Accounts	(38)	167	178	622	55	250	121	(14)	586	426	481	(1,141)	1,693
Total Costs & Expenses	59,470	120,897	137,289	92,764	74,049	56,899	41,365	66,164	92,447	51,609	63,297	94,492	950,742
GROSS OPERATING PROFIT	17,789	55,324	76,235	50,302	54,430	12,486	3,093	44,597	43,981	16,937	13,521	37,411	426,106
Depreciation and Amortization	5,068	11,526	13,793	8,190	9,257	6,284	4,026	8,473	10,787	3,509	4,757	7,935	93,605
Charges from Affiliates Other than Interest:													
Management Fees	-	5,882	-	4,703	-	-	-	-	7,500	-	-	-	18,085
Other	-	-	-	1,664	3,703	-	-	5,089	-	743	878	1,273	13,350
INCOME (LOSS) FROM OPERATIONS	12,721	37,916	62,442	35,745	41,470	6,202	(933)	31,035	25,694	12,685	7,886	28,203	301,066
OTHER INCOME (EXPENSES):													
Interest (Expense) - Affiliates	-	(12,410)	-	(11,074)	(13,000)	(5,316)	-	(14,439)	(13,410)	(4,923)	(6,221)	(12,398)	(93,191)
Interest (Expense) - External	-	(196)	(5,872)	(122)	-	(366)	(68)	-	(22)	(287)	(1,068)	(139)	(8,140)
Invest. Alt. Tax & Related Income (Exp.)-Net	(600)	(1,033)	(801)	(781)	(313)	(296)	(294)	(527)	(718)	(281)	(408)	(589)	(6,641)
Nonoperating Income (Expense) - Net	60	174	(277)	156	3	179	166	(2,843)	(2,499)	149	116	24	(4,592)
Total Other Income (Expenses)	(540)	(13,465)	(6,950)	(11,821)	(13,310)	(5,799)	(196)	(17,809)	(16,649)	(5,342)	(7,581)	(13,102)	(112,564)
Income(Loss) Before Taxes&Extraordinary Items	12,181	24,451	55,492	23,924	28,160	403	(1,129)	13,226	9,045	7,343	305	15,101	188,502
Provision (Credit) for Income Taxes	660	10,179	(440)	10,044	2,295	621	265	5,397	(681)	392	1,248	695	30,675
Income (Loss) Before Extraordinary Items	11,521	14,272	55,932	13,880	25,865	(218)	(1,394)	7,829	9,726	6,951	(943)	14,406	157,827
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	\$ 11,521	\$ 14,272	\$ 55,932	\$ 13,880	\$ 25,865	\$ (218)	\$ (1,394)	\$ 7,829	\$ 9,726	\$ 6,951	\$ (943)	\$ 14,406	\$ 157,827

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2004
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
REVENUE:													
Casino	\$ 82,808	\$ 178,462	\$ 168,707	\$ 138,625	\$ 127,913	\$ 75,360	\$ 47,934	\$ 112,561	\$ 98,513	\$ 71,761	\$ 83,680	\$ 135,007	\$ 1,321,331
Rooms	7,242	15,980	24,303	10,131	14,453	6,604	3,280	11,659	14,045	5,286	6,766	9,319	129,068
Food and Beverage	11,741	24,706	33,987	17,038	16,095	7,792	5,687	15,506	13,289	9,888	10,635	16,168	182,532
Other	3,471	6,078	6,837	5,976	3,020	2,206	874	2,294	4,057	3,835	3,438	6,749	48,835
Total Revenue	105,262	225,226	233,834	171,770	161,481	91,962	57,775	142,020	129,904	90,770	104,519	167,243	1,681,766
Less: Promotional Allowances	25,076	44,451	47,691	34,008	39,776	21,345	13,018	38,054	23,653	20,734	27,503	40,671	375,980
NET REVENUE	80,186	180,775	186,143	137,762	121,705	70,617	44,757	103,966	106,251	70,036	77,016	126,572	1,305,786
COSTS AND EXPENSES:													
Cost of Goods and Services	49,192	99,731	96,788	70,098	57,979	45,914	30,515	53,882	61,784	40,952	45,642	76,291	728,768
Selling, General, and Administrative	11,251	19,609	22,610	19,994	12,744	11,719	9,457	7,659	17,596	11,316	16,705	17,811	178,471
Provision for Doubtful Accounts	187	301	1,557	702	35	119	(85)	1	153	258	550	708	4,486
Total Costs & Expenses	60,630	119,641	120,955	90,794	70,758	57,752	39,887	61,542	79,533	52,526	62,897	94,810	911,725
GROSS OPERATING PROFIT	19,556	61,134	65,188	46,968	50,947	12,865	4,870	42,424	26,718	17,510	14,119	31,762	394,061
Depreciation and Amortization	4,464	11,434	14,359	8,484	8,801	4,959	3,824	8,472	7,973	5,265	7,921	12,015	97,971
Charges from Affiliates Other than Interest:													
Management Fees	2,723	5,962	-	4,537	-	-	-	-	7,500	-	-	-	20,722
Other	-	-	-	1,614	3,237	-	-	4,380	-	947	1,297	1,416	12,891
INCOME (LOSS) FROM OPERATIONS	12,369	43,738	50,829	32,333	38,909	7,906	1,046	29,572	11,245	11,298	4,901	18,331	262,477
OTHER INCOME (EXPENSES):													
Interest (Expense) - Affiliates	(4,493)	(12,399)	-	(10,688)	(13,000)	(5,301)	(699)	(14,444)	(13,410)	(11,246)	(13,294)	(24,082)	(123,056)
Interest (Expense) - External	-	(114)	(7,968)	(116)	-	(250)	(56)	-	3,925	(565)	(1,005)	(571)	(6,720)
Invest. Alt. Tax & Related Income (Exp.)-Net	878	1,495	(2,146)	(692)	(835)	(314)	(300)	(509)	(241)	(302)	(368)	(568)	(3,902)
Nonoperating Income (Expense) - Net	84	5,538	(202)	(5,264)	(537)	508	(686)	(54)	(1,133)	47	105	32	(1,562)
Total Other Income (Expenses)	(3,531)	(5,480)	(10,316)	(16,760)	(14,372)	(5,357)	(1,741)	(15,007)	(10,859)	(12,066)	(14,562)	(25,189)	(135,240)
Income(Loss) Before Taxes&Extraordinary Items	8,838	38,258	40,513	15,573	24,537	2,549	(695)	14,565	386	(768)	(9,661)	(6,858)	127,237
Provision (Credit) for Income Taxes	3,824	14,382	4,630	6,935	1,158	1,321	272	5,833	(1,704)	940	449	679	38,719
Income (Loss) Before Extraordinary Items	5,014	23,876	35,883	8,638	23,379	1,228	(967)	8,732	2,090	(1,708)	(10,110)	(7,537)	88,518
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	\$ 5,014	\$ 23,876	\$ 35,883	\$ 8,638	\$ 23,379	\$ 1,228	\$ (967)	\$ 8,732	\$ 2,090	\$ (1,708)	\$ (10,110)	\$ (7,537)	\$ 88,518

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005
(\$ in Thousands)**

	AC Hilton (a) (Caesars)	AC Hilton (a) (Colony)	Bally's (b)	Borgata	Caesars (b)	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
REVENUE:														
Casino	\$ 81,095	\$ 137,095	\$ 482,426	\$ 521,756	\$ 390,119	\$ 355,523	\$ 204,321	\$ 136,568	\$ 308,493	\$ 329,495	\$ 195,290	\$ 231,361	\$ 386,138	\$ 3,759,680
Rooms	6,261	11,395	39,721	68,761	29,002	37,386	17,479	8,889	30,983	51,655	13,807	18,055	24,504	357,898
Food and Beverage	10,874	19,571	67,049	92,163	46,388	40,475	18,175	17,506	38,487	44,311	23,710	29,252	41,468	489,429
Other	3,949	3,495	17,549	25,508	14,628	9,844	4,655	2,616	6,580	18,736	8,529	8,957	14,193	139,239
Total Revenue	102,179	171,556	606,745	708,188	480,137	443,228	244,630	165,579	384,543	444,197	241,336	287,625	466,303	4,746,246
Less: Promotional Allowances	25,318	44,044	124,913	138,144	97,576	105,968	56,252	40,233	96,899	81,695	53,472	76,895	107,336	1,048,745
NET REVENUE	76,861	127,512	481,832	570,044	382,561	337,260	188,378	125,346	287,644	362,502	187,864	210,730	358,967	3,697,501
COSTS AND EXPENSES:														
Cost of Goods and Services	45,345	82,663	288,768	300,043	197,668	165,506	126,970	87,364	150,532	211,471	113,257	127,639	218,311	2,115,537
Selling, General, and Administrative	28,832	18,465	60,851	74,731	61,026	35,394	29,593	28,278	23,650	54,925	32,391	47,784	53,641	549,561
Provision for Doubtful Accounts	128	20	742	2,143	2,860	241	358	278	107	1,180	865	1,195	(292)	9,825
Total Costs & Expenses	74,305	101,148	350,361	376,917	261,554	201,141	156,921	115,920	174,289	267,576	146,513	176,618	271,660	2,674,923
GROSS OPERATING PROFIT	2,556	26,364	131,471	193,127	121,007	136,119	31,457	9,426	113,355	94,926	41,351	34,112	87,307	1,022,578
Depreciation and Amortization	5,707	7,161	34,276	40,953	25,186	27,870	15,989	11,933	25,316	31,724	13,124	14,527	30,233	283,999
Charges from Affiliates Other than Interest:														
Management Fees	2,644	-	15,979	-	12,653	-	-	-	-	24,900	-	-	-	56,176
Other		-	-	-	4,926	10,040	-	-	14,445	-	2,526	3,258	4,137	39,332
INCOME (LOSS) FROM OPERATIONS	(5,795)	19,203	81,216	152,174	78,242	98,209	15,468	(2,507)	73,594	38,302	25,701	16,327	52,937	643,071
OTHER INCOME (EXPENSES):														
Interest (Expense) - Affiliates	(6,000)	-	(37,035)	-	(30,885)	(39,000)	(15,941)	-	(43,319)	(40,230)	(24,110)	(29,264)	(54,537)	(320,321)
Interest (Expense) - External	27	-	(588)	(18,656)	(366)	-	(1,124)	(197)	-	(25)	(1,117)	(2,282)	(2,080)	(26,408)
Invest. Alt. Tax & Related Income (Exp.)-Net	(715)	(1,002)	(3,938)	(4,184)	(1,559)	(2,134)	(697)	(508)	(1,583)	(1,379)	(807)	(1,106)	(1,627)	(21,239)
Nonoperating Income (Expense) - Net	31,662	255	11,847	(99)	(110)	(186)	481	400	(9,126)	(1,123)	(41,687)	17,859	105,345	115,518
Total Other Income (Expenses)	24,974	(747)	(29,714)	(22,939)	(32,920)	(41,320)	(17,281)	(305)	(54,028)	(42,757)	(67,721)	(14,793)	47,101	(252,450)
Income (Loss) Before Taxes & Extraordinary Items	19,179	18,456	51,502	129,235	45,322	56,889	(1,813)	(2,812)	19,566	(4,455)	(42,020)	1,534	100,038	390,621
Provision (Credit) for Income Taxes	8,101	393	18,307	(1,044)	19,934	6,166	414	764	7,975	(230)	1,123	2,061	1,936	65,900
Income (Loss) Before Extraordinary Items	11,078	18,063	33,195	130,279	25,388	50,723	(2,227)	(3,576)	11,591	(4,225)	(43,143)	(527)	98,102	324,721
Extraordinary Items (Net of Income Taxes)		-	-	-	-	-	-	-	-	-	(23,834)	79,365	143,353	198,884
NET INCOME (LOSS)	\$ 11,078	\$ 18,063	\$ 33,195	\$ 130,279	\$ 25,388	\$ 50,723	\$ (2,227)	\$ (3,576)	\$ 11,591	\$ (4,225)	\$ (66,977)	\$ 78,838	\$ 241,455	\$ 523,605

Certain totals may not foot due to rounding by the casino.

(a) AC Hilton's income statements reflect Caesars Entertainment ownership through April 25, 2005 and Colony ownership thereafter.

(b) Harrah's Entertainment, Inc. acquired Caesars Entertainment, Inc. on June 13, 2005, and is now the owner of Bally's AC and Caesars.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
REVENUE:													
Casino	\$ 226,250	\$ 500,156	\$ 458,876	\$ 382,628	\$ 345,604	\$ 193,064	\$ 142,495	\$ 298,593	\$ 274,483	\$ 198,990	\$ 236,156	\$ 377,692	\$ 3,634,987
Rooms	18,304	40,123	63,669	27,647	37,617	13,451	8,342	29,225	36,199	14,055	18,346	24,904	331,882
Food and Beverage	30,807	69,263	90,679	47,636	41,481	18,748	16,472	38,207	36,854	25,005	29,067	42,935	487,154
Other	9,799	16,433	17,770	16,141	6,163	6,848	2,826	4,190	10,769	9,154	7,987	15,819	123,899
Total Revenue	285,160	625,975	630,994	474,052	430,865	232,111	170,135	370,215	358,305	247,204	291,556	461,350	4,577,922
Less: Promotional Allowances	65,969	127,591	134,021	95,086	105,646	53,161	38,592	96,605	66,339	56,667	75,582	101,648	1,016,907
NET REVENUE	219,191	498,384	496,973	378,966	325,219	178,950	131,543	273,610	291,966	190,537	215,974	359,702	3,561,015
COSTS AND EXPENSES:													
Cost of Goods and Services	140,496	296,550	271,946	200,501	161,835	120,519	89,006	149,510	175,778	115,107	128,306	214,147	2,063,701
Selling, General, and Administrative	33,068	55,644	60,334	54,068	32,828	33,425	26,744	19,873	45,755	32,534	44,940	52,722	491,935
Provision for Doubtful Accounts	59	755	3,416	2,146	100	58	262	38	522	922	1,050	2,025	11,353
Total Costs & Expenses	173,623	352,949	335,696	256,715	194,763	154,002	116,012	169,421	222,055	148,563	174,296	268,894	2,566,989
GROSS OPERATING PROFIT	45,568	145,435	161,277	122,251	130,456	24,948	15,531	104,189	69,911	41,974	41,678	90,808	994,026
Depreciation and Amortization	13,161	34,103	42,430	25,982	25,353	12,176	11,327	24,500	23,222	16,306	18,879	36,570	284,009
Charges from Affiliates Other than Interest:													
Management Fees	7,412	16,623	-	12,459	-	-	-	-	24,600	-	-	-	61,094
Other	-	-	-	4,870	9,135	-	-	13,012	-	2,806	4,204	4,695	38,722
INCOME (LOSS) FROM OPERATIONS	24,995	94,709	118,847	78,940	95,968	12,772	4,204	66,677	22,089	22,862	18,595	49,543	610,201
OTHER INCOME (EXPENSES):													
Interest (Expense) - Affiliates	(13,468)	(37,217)	-	(32,447)	(39,000)	(11,837)	(6,650)	(43,335)	(40,230)	(33,038)	(40,117)	(72,673)	(370,012)
Interest (Expense) - External	-	(233)	(27,711)	(354)	-	(442)	(162)	-	10,181	(1,291)	(2,431)	(1,719)	(24,162)
Invest. Alt. Tax & Related Income (Exp.)-Net	114	3,175	(5,853)	(2,062)	(2,511)	(1,393)	(887)	(1,657)	(696)	(837)	(1,076)	(1,594)	(15,277)
Nonoperating Income (Expense) - Net	280	7,707	(15)	(5,057)	809	1,549	(2,335)	15	2,634	117	2,424	39	8,167
Total Other Income (Expenses)	(13,074)	(26,568)	(33,579)	(39,920)	(40,702)	(12,123)	(10,034)	(44,977)	(28,111)	(35,049)	(41,200)	(75,947)	(401,284)
Income(Loss) Before Taxes&Extraordinary Items	11,921	68,141	85,268	39,020	55,266	649	(5,830)	21,700	(6,022)	(12,187)	(22,605)	(26,404)	208,917
Provision (Credit) for Income Taxes	5,482	27,611	11,562	17,658	7,856	1,489	785	9,601	(506)	1,115	1,287	1,912	85,852
Income (Loss) Before Extraordinary Items	6,439	40,530	73,706	21,362	47,410	(840)	(6,615)	12,099	(5,516)	(13,302)	(23,892)	(28,316)	123,065
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	\$ 6,439	\$ 40,530	\$ 73,706	\$ 21,362	\$ 47,410	\$ (840)	\$ (6,615)	\$ 12,099	\$ (5,516)	\$ (13,302)	\$ (23,892)	\$ (28,316)	\$ 123,065

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY
PROMOTIONAL ALLOWANCES AND EXPENSES
FOR THE QUARTER AND YEAR-TO-DATE ENDED SEPTEMBER 30, 2005**
(\$ in Thousands)

	QUARTER			YEAR-TO-DATE		
	Allowances	Expenses	Total	Allowances	Expenses	Total
AC Hilton (Caesars Ent.) (a)	\$ -	\$ -	\$ -	\$ 25,318	\$ 5,098	\$ 30,416
AC Hilton (Colony) (a)	28,245	2,181	30,426	44,044	4,285	48,329
Bally's AC (b)	48,011	5,969	53,980	124,913	16,235	141,148
Borgata	48,545	8,668	57,213	138,144	24,007	162,151
Caesars (b)	35,640	7,257	42,897	97,576	20,110	117,686
Harrah's	41,976	5,738	47,714	105,968	7,946	113,914
Resorts	23,019	1,252	24,271	56,252	3,738	59,990
Sands	15,744	2,260	18,004	40,233	6,102	46,335
Showboat	40,331	1,055	41,386	96,899	1,769	98,668
Tropicana	32,791	3,667	36,458	81,695	11,258	92,953
Trump Marina	15,895	3,131	19,026	53,472	8,552	62,024
Trump Plaza	28,403	4,328	32,731	76,895	12,461	89,356
Trump Taj Mahal	38,611	3,905	42,516	107,336	12,761	120,097
Industry	\$ 397,211	\$ 49,411	\$ 446,622	\$ 1,048,745	\$ 134,322	\$ 1,183,067
Incr (Decr) vs. Prior Period	5.6%	36.4%	8.4%	3.1%	38.0%	6.2%

**ATLANTIC CITY CASINO INDUSTRY
PROMOTIONAL ALLOWANCES AND EXPENSES
FOR THE QUARTER AND YEAR-TO-DATE ENDED SEPTEMBER 30, 2004**
(\$ in Thousands)

	QUARTER			YEAR-TO-DATE		
	Allowances	Expenses	Total	Allowances	Expenses	Total
AC Hilton (Caesars Ent.)	\$ 25,076	\$ 3,574	\$ 28,650	\$ 65,969	\$ 9,085	\$ 75,054
Bally's AC	44,451	4,770	49,221	127,591	14,384	141,975
Borgata	47,691	7,054	54,745	134,021	17,338	151,359
Caesars	34,008	6,838	40,846	95,086	17,659	112,745
Harrah's	39,776	2,576	42,352	105,646	7,071	112,717
Resorts	21,345	914	22,259	53,161	2,714	55,875
Sands	13,018	1,574	14,592	38,592	4,643	43,235
Showboat	38,054	259	38,313	96,605	829	97,434
Tropicana	23,653	2,396	26,049	66,339	6,386	72,725
Trump Marina	20,734	1,167	21,901	56,667	3,147	59,814
Trump Plaza	27,503	1,233	28,736	75,582	2,924	78,506
Trump Taj Mahal	40,671	3,861	44,532	101,648	11,182	112,830
Industry	\$ 375,980	\$ 36,216	\$ 412,196	\$ 1,016,907	\$ 97,362	\$ 1,114,269

- (a) AC Hilton's income statements reflect Caesars Entertainment ownership through April 25, 2005 and Colony ownership thereafter.
- (b) Harrah's Entertainment, Inc. acquired Caesars Entertainment, Inc. on June 13, 2005, and is now the owner of Bally's AC and Caesars.

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
AC Hilton	804	73,773	73,256	99.3%	\$94.57
Bally's AC	1,745	159,902	154,267	96.5%	99.93
Borgata	1,982	179,753	178,873	99.5%	139.91
Caesars	1,140	103,610	102,186	98.6%	102.14
Harrah's	1,630	149,936	147,876	98.6%	95.23
Resorts	879	79,742	78,083	97.9%	90.73
Sands	620	56,018	55,974	99.9%	66.19
Showboat	1,309	120,428	119,874	99.5%	100.84
Tropicana	2,129	195,868	189,865	96.9%	114.24
Trump Marina	728	66,976	61,077	91.2%	87.71
Trump Plaza	906	83,352	80,050	96.0%	84.52
Trump Taj Mahal	1,250	115,000	110,435	96.0%	82.90
INDUSTRY TOTAL	15,122	1,384,358	1,351,816		
INDUSTRY AVERAGE				97.6%	\$101.89

* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
AC Hilton (Caesars Ent.) (a)	0	86,526	77,969	90.1%	\$80.37
AC Hilton (Colony) (a)	804	126,413	119,885	94.8%	\$95.05
Bally's AC (b)	1,745	465,940	432,638	92.9%	91.44
Borgata	1,982	531,757	510,915	96.1%	132.11
Caesars (b)	1,140	306,237	296,048	96.7%	97.92
Harrah's	1,630	432,480	391,224	90.5%	93.26
Resorts	879	220,775	195,357	88.5%	89.47
Sands	620	158,522	149,218	94.1%	59.54
Showboat	1,309	357,357	335,757	94.0%	92.28
Tropicana	2,129	581,109	522,861	90.0%	98.79
Trump Marina	728	198,744	170,198	85.6%	81.12
Trump Plaza	906	247,158	227,289	92.0%	79.43
Trump Taj Mahal	1,250	341,250	315,923	92.6%	77.56
INDUSTRY TOTAL	15,122	4,054,268	3,745,282		
INDUSTRY AVERAGE				92.4%	\$94.94

* Number of guest rooms at end of quarter

(a) AC Hilton's income statements reflect Caesars Entertainment ownership through April 25, 2005 and Colony ownership thereafter.

(b) Harrah's Entertainment, Inc. acquired Caesars Entertainment, Inc. on June 13, 2005, and is now the owner of Bally's AC and Caesars.

Amendments

Licensee	Form	Quarter
AC Hilton	Footnote 8	June 30, 2005
Bally's AC	Footnotes 6+11	June 30, 2005
Borgata	Footnotes 2-7	March 31, 2005
Harrah's	CCC-210	June 30, 2005
Harrah's	CCC-215	June 30, 2005
Harrah's	CCC-245	March 31, 2005
Harrah's	CCC-245	June 30, 2005
Harrah's	Footnotes 5+10	March 31, 2005
Resorts	CCC-215	June 30, 2005
Resorts	CCC-235 pgs 1+2	June 30, 2005
Resorts	CCC-245	March 31, 2005
Resorts	CCC-245	June 30, 2005
Showboat	Footnote 11	June 30, 2005

Amended

9/14/05

5. Property and Equipment

Components of property and equipment were as follows at June 30 (in thousands):

	2005
Land.....	\$84,600
Buildings and improvements	247,921
Furniture, fixtures and equipment.....	42,164
Construction in progress	5,709
	380,394
Less: accumulated depreciation	(2,075)
Net property and equipment	<u>\$378,319</u>

6. Other Assets

Components of other assets were as follows at June 30 (in thousands):

	2005
Goodwill.....	\$ 83,240
Definite lived intangibles, net of accumulated amortization.....	2,181
Other.....	50
	<u>\$ 85,471</u>

7. Other Accrued Expenses

Components of other accrued expenses were as follows at June 30 (in thousands):

	2005
Payroll and related liabilities	\$ 6,549
Gaming taxes and fees	3,249
Other	678
	<u>\$ 10,476</u>

8. Other Current Liabilities

Components of other current liabilities were as follows at June 30 (in thousands):

	2005
Accrued comp bank	\$ 1,310
Chip and token liability	1,301
Payable to affiliates	700
Other	2,540
	<u>\$ 5,851</u>

9. Related Party Transactions

The Company transfers cash in excess of its operating needs to Holdings on a periodic basis. Holdings provides the Company with cash advances for capital expenditures and working capital needs.

Certain executive, administrative and support operations of the Company and other affiliates are consolidated, including limousine services, advertising, sales and marketing services, purchasing and other administrative departments. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. Management believes the methods used to allocate these costs are reasonable.

(AC Hilton)

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Amended

10/26/05

All the assets of Bally's Land Ventures Realty, Inc., \$14,342, were sold to Colony in April 2005 (see Note 1).

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of June 30 consist of the following:

	<u>2005</u>	<u>2004</u>
Land	\$ 70,994	\$ 112,378
Buildings and improvements	862,951	858,889
Furniture, fixtures and equipment	298,657	302,100
Construction in progress	<u>10,680</u>	<u>2,060</u>
	1,243,282	1,275,427
Less accumulated depreciation and amortization	<u>(641,772)</u>	<u>(622,450)</u>
	<u>\$ 601,510</u>	<u>\$ 652,977</u>

\$42,392 of land and improvements were sold to Colony in April 2005 (see Note 1).

NOTE 5 - OTHER ASSETS

Other assets as of June 30 consist of the following:

	<u>2005</u>	<u>2004</u>
Cost in excess of acquired assets, less accumulated amortization of \$260.	\$ 17,581	\$ 17,581
Other	<u>113</u>	<u>220</u>
	<u>\$ 17,694</u>	<u>\$ 17,801</u>

NOTE 6 - OTHER ACCRUED EXPENSES

Other accrued expenses as of June 30 consist of the following:

	<u>2005</u>	<u>2004</u>
Accrued payroll and benefits	\$ 21,182	\$ 22,792
Insurance claims	4,076	5,340
Other	<u>10,511</u>	<u>11,884</u>
	<u>\$ 35,769</u>	<u>\$ 40,016</u>

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Amended
10/26/05

NOTE 9 - OTHER LIABILITIES

Other liabilities as of June 30 consist of the following:

	<u>2005</u>	<u>2004</u>
Retirement and other employee benefit plans	\$ 1,369	\$ 1,194
Other	<u>458</u>	<u>414</u>
	<u>\$ 1,827</u>	<u>\$ 1,608</u>

NOTE 10 - CHARGES FROM AFFILIATES-MANAGEMENT FEE

The Company and Harrah's have entered into an administrative services and management agreement. Under the agreement, Harrah's provides certain services to the Company in the conduct of its business including, but not limited to operations, marketing, banking, accounting, insurance, tax, regulatory and public company reporting, human resource and benefit administration and other administrative functions. In consideration for these services, the Company pays Harrah's a monthly management fee equal to three percent of revenues, as defined.

NOTE 11 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) for the three months ended June 30 consists of the following:

	<u>2005</u>	<u>2004</u>
Interest income	\$ 235	\$ 196
Gain (loss) on sale of assets	228	20
Equity in income of unconsolidated subsidiaries	16,076	1,801
Other	<u>77</u>	<u>225</u>
	<u>\$ 16,616</u>	<u>\$ 2,242</u>

Nonoperating income (expense) for the six months ended June 30 consists of the following:

	<u>2005</u>	<u>2004</u>
Interest income	\$ 474	\$ 413
Gain (loss) on sale of assets	264	349
Equity in income of unconsolidated subsidiaries	10,633	956
Other	<u>302</u>	<u>451</u>
	<u>\$ 11,673</u>	<u>\$ 2,169</u>

of a derivative's change in fair value is immediately recognized in earnings. For further information please see Note 8.

Amended

8/16/05

Note 2. Capital Contributions

The components of cash and non-cash equity contributions consist of the following:

	March 31, 2005	March 31, 2004
Cash	\$ 386,074,000	\$ 355,267,000
Land	87,301,000	87,301,000
Special Revenue Bonds	2,699,000	2,699,000
Other	1,433,000	1,433,000
Capital contributions	\$ 477,507,000	\$ 446,700,000

Note 3. Receivables and Patrons' Checks

Receivables and patrons' checks consist of the following:

	March 31, 2005	March 31, 2004
NJ Tax Refund receivable	\$ 18,877,000	\$ 0
Casino receivables (net of an allowance for doubtful accounts, 2005, \$6,991,000 and 2004, \$4,993,000)	15,121,000	11,370,000
Other (net of an allowance for doubtful accounts, 2005, \$192,000 and 2004, \$272,000)	8,321,000	5,355,000
Due from related parties (Note 6)	348,000	860,000
Receivables and patrons' checks, net	\$ 42,667,000	\$ 17,585,000

Note 4. Other Accrued Expenses

Other accrued expenses consist of the following:

	March 31, 2005	March 31, 2004
Payroll and related	\$ 21,362,000	\$ 18,499,000
Other	25,622,000	26,427,000
Other accrued expenses	\$ 46,984,000	\$ 44,926,000

8/16/05

Note 5. Other Current Liabilities

Other current liabilities consist of the following:

	March 31, 2005	March 31, 2004
Due to related parties (Note 6)	\$ 883,000	\$ 1,181,000
Other	10,305,000	6,411,000
Other current liabilities	\$ 11,188,000	\$ 7,592,000

Note 6. Related Parties

Pursuant to the Agreement, MAC is solely responsible for any investigation, analyses, clean-up, detoxification, testing, monitoring, or remediation related to Renaissance Pointe. The related amounts due from MAC for these types of expenditures incurred by us were \$319,000 and \$286,000 at March 31, 2005 and 2004, respectively. Reimbursable expenditures incurred were \$89,000 for the three months ended March 31, 2005.

Boyd Gaming Corporation reimburses us for expenses relating to investigative services for our casino license and other expenses. The related amounts incurred by us and due from Boyd Gaming Corporation for these types of expenses were \$30,000 and \$574,000 at March 31, 2005 and 2004, respectively. Reimbursable expenditures incurred were \$27,000 for three months ended March 31, 2005.

On May 20, 2002, we entered into a 75 year ground lease agreement with MAC related to our employee parking garage and on February 21, 2003, we entered into a three year ground lease agreement with MAC related to our surface parking lot. The related amounts due to MAC for these leases were \$569,000 and \$328,000 at March 31, 2005 and 2004, respectively. Related rent expense payments were \$83,000 for the three months ended March 31, 2005. Pursuant to the ground lease agreement related to the employee parking garage, we are responsible for reimbursing MAC for related property taxes paid on our behalf. Amounts reimbursed to MAC for property taxes were \$0 for the three months ended March 31, 2005.

On August 1, 2003, we entered into a one year airplane lease agreement with BAC that was cancelable by either party. On August 6, 2004, we purchased the airplane from BAC for its appraised value of \$5,750,000.

We reimburse BAC for compensation paid to employees performing services for us on a full-time basis and for out-of-pocket costs and expenses incurred related to travel. Also, Boyd Gaming Corporation is reimbursed for various payments made on our behalf primarily related to third party legal fees, investigative fees, and other costs. The related amounts due to BAC and Boyd for these types of expenditures paid by BAC were \$314,000 and \$853,000 at March 31, 2005 and 2004, respectively. Reimbursable expenditures the three months ended March 31, 2005 were \$1,217,000 which was included in the accompanying consolidated statement of operations.

The related party balances above are non-interest bearing.

STATEMENTS OF INCOME

Amended

9/6/05

FOR THE SIX MONTHS ENDED JUNE 30, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	2005	2004
	Revenue:		
1	Casino	\$ 220,286	\$ 217,691
2	Rooms	22,409	23,164
3	Food and Beverage	24,634	25,386
4	Other	5,444	3,143
5	Total revenue	272,773	269,384
6	Less: Promotional Allowance (Note 2)	63,992	65,870
7	Net revenue	208,781	203,514
	Costs and Expenses:		
8	Cost of goods and services	104,560	103,856
9	Selling, general, and administrative	22,346	20,084
10	Provision for doubtful accounts	186	65
11	Total costs and expenses	127,092	124,005
12	Gross Operating Profit	81,689	79,509
13	Depreciation and amortization	18,613	16,552
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other (Note 3)	6,337	5,898
16	Income (Loss) from Operations	56,739	57,059
	Other Income (Expenses):		
17	Interest (expense) - affiliates (Note 9)	(26,000)	(26,000)
18	Interest (expense) - external	0	0
19	Investment alternative tax and related income	(1,821)	(1,676)
	(expense) - net		
20	Nonoperating Income (expense) - net	(189)	1,346
21	Total other income (expenses)	(28,010)	(26,330)
22	Income (Loss) Before Income Taxes and Extraord. Items	28,729	30,729
23	Provision (credit) for income taxes (Note 2)	3,871	6,698
24	Income (Loss) Before Extraordinary Items	24,858	24,031
25	Extraordinary items (net of income taxes - 2005, \$0; 2004, \$0)	0	0
26	Net Income (Loss)	\$ 24,858	\$ 24,031

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

Amended

9/6/05

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	2005	2004
	Revenue:		
1	Casino	\$116,466	\$110,247
2	Rooms	11,910	12,213
3	Food and Beverage	12,925	12,901
4	Other	3,416	1,574
5	Total revenue	144,717	136,935
6	Less: Promotional Allowance (Note 2)	35,753	33,092
7	Net revenue	108,964	103,843
	Costs and Expenses:		
8	Cost of goods and services	53,541	52,278
9	Selling, general, and administrative	10,998	10,970
10	Provision for doubtful accounts	60	5
11	Total costs and expenses	64,599	63,253
12	Gross Operating Profit	44,365	40,590
13	Depreciation and amortization	9,471	8,401
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other (Note 3)	3,277	2,979
16	Income (Loss) from Operations	31,617	29,210
	Other Income (Expenses):		
17	Interest (expense) - affiliates (Note 9)	(13,000)	(13,000)
18	Interest (expense) - external	0	0
19	Investment alternative tax and related income	(929)	(828)
	(expense) - net		
20	Nonoperating Income (expense) - net	(27)	1,301
21	Total other income (expenses)	(13,956)	(12,527)
22	Income (Loss) Before Income Taxes and Extraord. Items	17,661	16,683
23	Provision (credit) for income taxes (Note 2)	2,340	3,374
24	Income (Loss) Before Extraordinary Items	15,321	13,309
25	Extraordinary items (net of income taxes - 2005, \$0; 2004, \$0)	0	0
26	Net Income (Loss)	\$15,321	\$13,309

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

9/6/05

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	100,528	\$ 8,756	-	\$ -
2	Food	439,000	4,390	-	-
3	Beverage	1,372,400	3,431	-	-
4	Travel	-	-	19,666	1,947
5	Bus Program Cash	17,867	179	-	-
6	Other Cash Complimentaries	869,989	10,875	-	-
7	Entertainment	17,800	356	-	-
8	Retail & Non-Cash Gifts	50,400	252	52,284	261
9	Parking	-	-	-	-
10	Other	-	-	-	-
11	Total	2,867,984	\$ 28,239	71,950	\$ 2,208

FOR THE THREE MONTHS ENDED MARCH 31, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	100,528	\$ 8,756	-	\$ -
2	Food	439,000	4,390	-	-
3	Beverage	1,372,400	3,431	-	-
4	Travel	-	-	19,666	1,947
5	Bus Program Cash	17,867	179	-	-
6	Other Cash Complimentaries	869,989	10,875	-	-
7	Entertainment	17,800	356	-	-
8	Retail & Non-Cash Gifts	50,400	252	52,284	261
9	Parking	-	-	-	-
10	Other	-	-	-	-
11	Total	2,867,984	\$ 28,239	71,950	\$ 2,208

Note 7. Debt

8/16/05

Amounts outstanding under each component of our bank credit agreements are as follows:

	March 31, 2005	March 31, 2004
Term Loan (s)	\$ 199,500,000	\$ 555,312,000
Revolving line of credit	186,700,000	18,000,000
Total long-term debt	386,200,000	573,312,000
Less: current maturities	2,000,000	51,875,000
Total	\$ 384,200,000	\$ 521,437,000

On October 20, 2004, our First Amended and Restated credit agreement among Marina District Finance Company, Marina District Development Company, Canadian Imperial Bank of Commerce and certain other financial institutions became effective. The amended bank credit facility modified our original bank credit facility.

The amended bank credit facility consists of a \$450,000,000 revolving credit facility and a \$200,000,000 term loan and is capable of being expanded. The revolving credit facility matures in October 2009 and the term loan matures in October 2011. The term loan is required to be repaid in quarterly increments of \$500,000 commencing on March 31, 2005 continuing through September 30, 2011 at which time the remaining balance of the term loan matures on October 20, 2011. Amounts repaid under the term loan may not be reborrowed. At March 31, 2005, \$199,500,000 of borrowings were outstanding under the term loan and \$186,700,000 was outstanding under the revolving credit facility, leaving availability under the bank credit facility of \$263,300,000. The interest rate on the term loan is based upon either (i) the agent bank's quoted base rate or (ii) the eurodollar rate, plus a fixed margin. The interest rate on the revolving credit facility is based upon either (i) the agent bank's quoted base rate or (ii) the eurodollar rate, plus an applicable margin that is determined by the level of a predefined financial leverage ratio. In addition, we incur a commitment fee on the unused portion of the revolving credit facility that ranges from 0.25% to 0.5% per annum. The amended bank credit facility is secured by substantially all of our real and personal property and is non-recourse to MAC and BAC.

The amended bank credit facility contains certain financial and other covenants, including, without limitation, various covenants (i) requiring the maintenance of a fixed charge coverage ratio, (ii) establishing a maximum permitted total leverage ratio, (iii) imposing limitations on the incurrence of additional secured indebtedness, (iv) imposing limitations on the maximum permitted expansion capital expenditures during the term of the amended bank credit facility and (v) imposing restrictions on investments, dividends and certain other payments. We believe we are in compliance with these covenants as of March 31, 2005.

Note 8. Interest Rate Protection Agreements

On March 8, 2001, we entered into several interest rate protection agreements to comply with the requirements of our original bank credit agreement at an initial cost of \$771,000. The interest rate protection agreements consist of interest rate swaps, caps and collars with a combined total initial aggregate notional amount of \$310,000,000 that commence and mature at various dates ranging

Amended

9/20/05

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	212,864	\$ 18,541	-	\$ -
2	Food	928,205	9,282	-	-
3	Beverage	2,963,200	7,408	-	-
4	Travel	-	-	44,008	4,357
5	Bus Program Cash	31,436	314	-	-
6	Other Cash Complimentaries	2,090,507	26,131	-	-
7	Entertainment	89,100	1,782	-	-
8	Retail & Non-Cash Gifts	106,800	534	111,219	556
9	Parking	-	-	-	-
10	Other	-	-	-	-
11	Total	6,422,112	\$ 63,992	155,227	\$ 4,913

FOR THE THREE MONTHS ENDED JUNE 30, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	112,336	\$ 9,785	-	\$ -
2	Food	489,205	4,892	-	-
3	Beverage	1,590,800	3,977	-	-
4	Travel	-	-	24,342	2,410
5	Bus Program Cash	13,569	135	-	-
6	Other Cash Complimentaries	1,220,518	15,256	-	-
7	Entertainment	71,300	1,426	-	-
8	Retail & Non-Cash Gifts	56,400	282	58,935	295
9	Parking	-	-	-	-
10	Other	-	-	-	-
11	Total	3,554,128	\$ 35,753	83,277	\$ 2,705

HARRAH'S CASINO HOTEL ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

Amended
8/24/05

NOTE 4 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid Expenses and Other Current Assets as of March 31 consisted of the following:

	<u>2005</u>	<u>2004</u>
Prepaid State Income Tax	5,953	788
Prepaid Air Charters	2,718	2,699
Prepaid Taxes	549	558
Prepaid Marketing	907	483
Prepaid Other	780	659
Prepaid Insurance	125	129
	<u>\$11,032</u>	<u>\$ 5,316</u>

NOTE 5 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, Advances and Receivables as of March 31, consisted of the following:

	<u>2005</u>	<u>2004</u>
Due from Affiliates	\$ 518,916	\$ 450,787
Casino Reinvestment Development Authority obligation deposits - Net of Valuation Allowance of \$1,500 and \$913 at March 31, 2005 and 2004, respectively	9,421	5,598
Casino Reinvestment Development Authority Bonds - Net of Valuation Allowance of \$3,632 and \$3,771 at March 31, 2005 and 2004, respectively	3,891	4,227
Other	573	1,022
Notes Receivable	0	61
	<u>\$532,801</u>	<u>\$461,695</u>

HARRAH'S CASINO HOTEL ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

Amended

8/24/05

NOTE 10 - OTHER LIABILITIES

Other Liabilities as of March 31 consisted of the following:

	<u>2005</u>	<u>2004</u>
Due to Affiliates, Long-term	\$40,201	\$39,806
Other	<u>1,207</u>	<u>1,436</u>
	<u>\$41,408</u>	<u>\$41,242</u>

Due to Affiliates at March 31 consisted of the following unsecured, non-interest bearing inter-company accounts:

	<u>2005</u>	<u>2004</u>
Harrah's Holdings, Inc.,	\$ 603	\$ 603
Harrah's Atlantic City, Inc.	38,855	38,855
Harrah's Jazz Casino	19	55
Harrah's Las Vegas	39	-
Harrah's Kansas City	392	-
Harrah's Holiday Inns of New Jersey, Inc.	<u>293</u>	<u>293</u>
	<u>\$40,201</u>	<u>\$39,806</u>

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation - The Partnership is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, these matters will not have a material effect on the Partnership's financial position or results of operations.

Insurance Reserve - The Partnership is self-insured for various levels of general liability coverage. Insurance claims and reserves include the accrual of estimated settlements for known and anticipated claims. Accrued expenses and other current liabilities in the accompanying balance sheets includes insurance allowances of \$173 and \$326 as of March 31, 2005 and 2004, respectively. Actual results may differ from these reserve amounts.

CRDA Investment Obligation - The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Partnership may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to 50 years and bear interest at below market rates. The Partnership includes CRDA investment bonds and funds on deposit in deferred charges and other non-current assets in the accompanying balance sheets totaling \$3,891 and \$9,421, respectively, at March 31, 2005 and \$4,227 and \$5,599, respectively, at March 31, 2004. The Partnership records charges to operations to reflect the estimated net realizable value of its CRDA investment.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004

Amended

9/16/05

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (c)
	Revenue:		
1	Casino.....	\$ 67,290	\$ 62,492
2	Rooms.....	5,837	3,775
3	Food and Beverage.....	5,936	5,972
4	Other.....	1,121	2,792
5	Total Revenue.....	80,184	75,031
6	Less: Promotional Allowances.....	17,558	17,503
7	Net Revenue.....	62,626	57,528
	Costs and Expenses:		
8	Cost of Goods and Services.....	40,914	39,174
9	Selling, General, and Administrative.....	8,716	11,515
10	Provision for Doubtful Accounts.....	64	(2)
11	Total Costs and Expenses.....	49,694	50,687
12	Gross Operating Profit.....	12,932	6,841
13	Depreciation and Amortization.....	4,884	3,553
14	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other.....	-	-
16	Income (Loss) from Operations.....	8,048	3,288
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(5,315)	(3,164)
18	Interest (Expense) - External.....	(465)	(116)
19	Investment Alternative Tax and Related Expense, Net of Amortization of \$0 and \$0 Respectively.....	(223)	(954)
20	Nonoperating Income (Expense) - net.....	144	928
21	Total Other Income (Expenses).....	(5,859)	(3,306)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	2,189	(18)
23	Provision (Credit) for Income Taxes.....	1,030	411
24	Income (Loss) Before Extraordinary Items.....	1,159	(429)
25	Extraordinary Items (net of income tax benefit).....	-	-
26	Net Income (Loss).....	\$ 1,159	\$ (429)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

Amended

9/16/05

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
1	Net Cash Provided (Used) by Operating Activities.....	\$ 6,626	\$ 7,638
	Cash Flows From Investing Activities:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(11,691)	(58,438)
5	Proceeds from Disposition of Property and Equipment.....	28	1,249
6	Purchase of Casino Reinvestment Obligations.....	(1,478)	(1,296)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10	CRDA Reimbursement.....	-	433
11		-	-
12	Net Cash Provided (Used) By Investing Activities.....	(13,141)	(58,052)
	Cash Flows From Financing Activities:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	5,000	-
14	Payments to Settle Short-Term Debt.....	(5,000)	(938)
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	13,782
16	Costs of Issuing Debt.....	(52)	(158)
17	Payments to Settle Long-Term Debt.....	(1,419)	-
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Other Financing Activities.....	-	-
22	Advances from (Repayment to) Parent Company and Affiliates.....	-	-
23	Net Cash Provided (Used) By Financing Activities.....	(1,471)	12,686
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(7,986)	(37,728)
25	Cash and Cash Equivalents at Beginning of Period.....	31,959	78,775
26	Cash and Cash Equivalents at End of Period.....	\$ 23,973	\$ 41,047
	Cash Paid During Period For:		
27	Interest (Net of Amount Capitalized).....	\$ 11,102	\$ 6,478
28	Income Taxes (Net of amounts refunded).....	\$ (709)	\$ 650

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2005 AND 2004

Amended

9/16/05

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
	Net Cash Flows From Operating Activities:		
29	Net Income.....	\$ (2,010)	\$ (2,068)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	8,152	5,538
31	Amortization of Other Assets.....	1,554	1,679
32	Amortization of Debt Discount or Premium.....	275	245
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	(573)	-
35	(Gain) Loss on Disposition of Property and Equipment.....	(28)	(759)
36	(Gain) Loss on Casino Reinvestment Obligations.....	401	1,079
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	(3,299)	(570)
39	Net (Increase) Decrease in Inventories.....	(158)	(463)
40	Net Decrease (Increase) in Other Current Assets.....	(107)	(1,979)
41	Net Decrease (Increase) in Other Assets.....	646	588
42	Net Increase (Decrease) in Accounts Payable.....	146	4,042
	Net (Decrease) Increase in Other Current Liabilities		
43	Excluding Debt.....	1,627	306
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	-	-
45	Loss on extinguishment of debt.....	-	-
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 6,626	\$ 7,638

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment.....	\$ (11,691)	\$ (58,438)
49	Less: Capital Lease Obligations incurred.....	-	-
50	Cash Outflows for Property and Equipment.....	\$ (11,691)	\$ (58,438)
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$	\$
52	Goodwill Acquired.....		
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ -	\$ -
58	Less: Issuances to Settle Long-Term Debt.....		
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

Amended

9/16/05

TRADING NAME OF LICENSEE: RESORTS INTERNATIONAL HOTEL, INC.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (in thousands) (d)	Number of Recipients (e)	Dollar Amount (in thousands) (f)
1	Rooms	40,687	\$ 3,525	57	\$ 9
2	Food	267,956	2,892	28,996	309
3	Beverage	190,477	703	-	-
4	Travel	-	-	4,665	409
5	Bus Program Cash	96,808	1,354	-	-
6	Other Cash Complimentaries	251,532	6,809	-	-
7	Entertainment	5,879	341	595	69
8	Retail & Non-Cash Gifts	1,774	19	472	109
9	Parking	-	-	-	-
10	Other	1,472	32	14,882	328 *
11	Total	856,585	\$ 15,675	49,667	\$ 1,233

* Included in Other Promotional Expenses for the three months ended March 31, 2005 are tobacco complimentaries in the amount of \$70,000. No other single item or service included in other exceeds 5% of the column total.

Amended

8/16/05

TRADING NAME OF LICENSEE: RESORTS INTERNATIONAL HOTEL, INC.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (in thousands) (d)	Number of Recipients (e)	Dollar Amount (in thousands) (f)
1	Rooms	91,243	\$ 7,681	62	\$ 10
2	Food	590,919	6,233	61,742	595
3	Beverage	358,598	1,403	-	-
4	Travel	-	-	10,565	915
5	Bus Program Cash	221,788	3,144	-	-
6	Other Cash Complimentaries	456,686	14,235	-	-
7	Entertainment	9,243	441	848	119
8	Retail & Non-Cash Gifts	2,501	26	957	240
9	Parking	-	-	-	-
10	Other	3,320	70	28,923	607 *
11	Total	1,734,298	\$ 33,233	103,097	\$ 2,486

* Included in Other Promotional Expenses for the six months ended June 30, 2005 are tobacco complimentaries in the amount of \$161,000. No other single item or service included in other exceeds 5% of the column total.

FOR THE THREE MONTHS ENDED JUNE 30, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	50,556	\$ 4,156	5	\$ 1
2	Food	322,963	3,341	32,746	286
3	Beverage	168,121	700	-	-
4	Travel	-	-	5,900	506
5	Bus Program Cash	124,980	1,790	-	-
6	Other Cash Complimentaries	205,154	7,426	-	-
7	Entertainment	3,364	100	253	50
8	Retail & Non-Cash Gifts	727	7	485	131
9	Parking	-	-	-	-
10	Other	1,848	38	14,041	279 *
11	Total	877,713	\$ 17,558	53,430	\$ 1,253

* Included in Other Promotional Expenses for the three months ended June 30, 2005 are tobacco complimentaries in the amount of \$91,000. No other single item or service included in other exceeds 5% of the column total.

ATLANTIC CITY SHOWBOAT, INC.
Notes to Financial Statements
(Dollars In Thousands)

Amended

11/15/05

(11) **NON-OPERATING INCOME (EXPENSE)**

For the six months ended June 30, 2005 and 2004, Non-Operating Income (Expense) consisted of the following:

	<u>2005</u>	<u>2004</u>
Interest Income	\$ 578	\$396
Preopening/Demolition Expense	(3,487)	0
Gain/Loss on Asset Sales	(151)	(327)
Other Non Operating Expense	<u>(3,223)</u>	<u>0</u>
	<u><u>\$ (6,283)</u></u>	<u><u>\$69</u></u>

(12) **COMMITMENTS AND CONTINGENCIES**

Litigation

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, these matters will not have a material effect on the Company's financial position or results of operations.

CRDA Investment Obligation

The New Jersey Casino Control Act provides, among other things, for an assessment of licenses equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA.

Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be used to purchase bonds designated by the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to 50 years and bear interest at below market rate.

The Company includes CRDA investment bonds and funds on deposit in deferred charges and other non-current assets in the accompanying balance sheets. The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment obligations.

Deposits with the CRDA bear interest at two-thirds of market rates resulting in a current value lower than cost. As more fully disclosed in Note 5, at June 30, 2005 and 2004, Investments, Advances, and Receivables include \$27,644 and \$25,400 respectively, representing the Company's bond purchases and deposits with the CRDA, net of the valuation allowance. The carrying value of these deposits, net of the valuation allowance, approximates fair value.